

III. EVALUATION COST ESTIMATES

This chapter presents the estimated costs of conducting the evaluation of the Elderly Nutrition Demonstration, as described in the evaluation design report and chapter II of this report. We present cost estimates that address two key design options:

- Whether the demonstrations end in September 2003 (the “Baseline” budget), are extended to permit them to serve clients for two years (the “Option A” budget), or are extended until September 2004 (the “Option B” budget)
- Whether the client satisfaction analysis is conducted with a survey at the commodity alternative sites or with focus group discussions at all sites

It is important to keep in mind that the estimates presented in this chapter rely on a number of assumptions that are based on MPR’s experience conducting similar evaluations. We describe the cost assumptions in the first section of this chapter. The second section discusses the cost estimates.

A. EVALUATION COST ASSUMPTIONS

Our cost estimates are based on the price schedule by labor category for the Food Assistance and Nutrition Research Project (FANRP) Master Contract, as well as typical assumptions about overhead and other direct costs.

We assume that the evaluation will begin in October 2002. If the demonstrations end in September 2003, the cost estimates assume that the evaluation will end in September 2004 (see Figure II.1 in Chapter II). The estimated costs for this scenario, called the “baseline costs” are presented in Tables III.1 and III.2 for 13 separate evaluation activities. If the demonstrations are extended (either Option A or Option B), the cost estimates assume that the evaluation will end in

TABLE III.1

APPROXIMATE COSTS OF EVALUATING THE ELDERLY NUTRITION DEMONSTRATIONS
OPTION WITH CLIENT SATISFACTION SURVEY AT COMMODITY SITES—NO FOCUS GROUPS
(In Dollars)

Study Task	Baseline Budget ^a	Additional Costs Option A ^b	Additional Costs Option B ^c
Analysis of participation and benefits	\$140,000 - \$160,000	\$40,000 - \$50,00	\$45,000 - \$55,000
Two interim memoranda—analysis of FSP participation and benefits	\$25,000 - \$30,000	0	0
Survey Design (instrumentation, programming, sample design, and sample frame)	110,000 - 130,000	6,000 - 8,000	6,000 - 8,000
OMB submission	40,000 - 60,000	0	0
Survey data collection	150,000 - 160,000	185,000 - 205,000	190,000 - 210,000
Survey data processing, weighting, and analysis	90,000 - 100,000	30,000 - 40,000	30,000 - 40,000
Conduct and analyze focus groups	0	0	0
Quantify costs	120,000 - 140,000	3,000 - 5,000	3,000 - 5,000
Process analysis	310,000 - 340,000	130,000 - 140,000	180,000 - 200,000
Interim Report	N/A	75,000 - 85,000	75,000 - 85,000
Final Report	100,000 - 110,000	See baseline budget	See baseline budget
Orientation meeting, design memorandum, and final briefing	45,000 - 55,000	See baseline budget	See baseline budget
Project management	25,000 - 35,000	15,000 - 25,000	15,000 - 25,000
TOTAL	\$1,200,000 - \$1,300,000	\$500,000 - \$550,000	\$550,000 - \$620,000

NOTE: The assumptions used to compute these cost estimates, such as survey sample sizes, are described in this report.

^aDemonstrations end in September 2003

^bDemonstrations end after serving clients for two years (February 2004 through September 2004, depending upon the site).

^cDemonstrations end in September 2004

TABLE III.2

APPROXIMATE COSTS OF EVALUATING THE ELDERLY NUTRITION DEMONSTRATIONS
OPTION WITH CLIENT SATISFACTION FOCUS GROUPS—NO SURVEY
(In Dollars)

Study Task	Baseline Budget ^a	Additional Costs Option A ^b	Additional Costs Option B ^c
Analysis of participation and benefits	\$140,000 - \$160,000	\$40,00 - \$50,00	\$45,000 - \$55,000
Two interim memoranda—analysis of FSP		0	
participation and benefits	25,000 - 30,000		0
Survey Design (instrumentation, programming, sample design, and sample frame)	0	0	0
OMB submission	40,000 - 60,000	0	0
Survey data collection	0	0	0
Survey data processing, weighting, and analysis	0	0	0
Conduct and analyze focus groups	190,000 - 210,000	0	0
Quantify costs	120,000 - 140,000	3,000 - 5,000	3,000 - 5,000
Process analysis	310,000 - 340,000	130,000 - 140,000	180,000 - 200,000
Interim Report	N/A	75,000 - 85,000	75,000 - 85,000
Final Report	100,000 - 110,000	See baseline budget	See baseline budget
Orientation meeting, design memorandum, and final briefing	45,000 - 55,000	See baseline budget	See baseline budget
Project management	25,000 - 35,000	15,000 - 25,000	15,000 - 25,000
TOTAL	\$1,000,000 - \$1,100,000	\$270,000 - \$300,000	\$330,000 - \$360,000

NOTE: The assumptions used to compute these cost estimates, such as survey sample sizes, are described in this report.

^aDemonstrations end in September 2003

^bDemonstrations end after serving clients for two years (February 2004 through September 2004, depending upon the site).

^cDemonstrations end in September 2004

September 2005. The additional estimated costs of the evaluation under Options A and B are presented in the last two columns of Tables III.1 and III.2.

This section describes the cost assumptions separately for each demonstration activity listed in Tables III.1 and III.2. Many of the activities that will be performed in each task are described in more detail in Chapter II of this report.

1. Analysis of Participation and Benefits

A pre-post comparison group methodology will be used to estimate the effects of the demonstration on elderly FSP participation and benefits. Our cost estimates assume that this analysis will be conducted by a senior analyst who is working closely with a senior computer programmer and a research analyst.

The preliminary activities conducted by the evaluators include preparation and execution of a memorandum of understanding, submission of a formal data request, confirmation of the comparison sites selected, and cleaning and checking the caserecord extracts. We assume that considerable time may be spent discussing the data extracts with data managers at some sites, particularly if there are problems such as missing observations, insufficient data documentation, or changes in a site's information system during the evaluation.

We assume that the grocery store price scan data needed for the analysis of FSP benefits will be obtained from ERS, based on preliminary conversations we had with ERS staff. The evaluators will match items in the grocery store price scan data with items in the commodity packages available to clients in the same months for which data on FSP participation and benefits are submitted to the evaluators. If items do not match (for example, the grocery store data may contain a price for a 10 ounce can of pineapple but the commodity package may contain a 16 ounce can), then evaluators will develop an approach to pro-rate the grocery store price scan data to compute a comparable price for the relevant commodity package items.

Finally, this task includes time for the evaluators to analyze the data, and time for senior staff to oversee and review the analysis. The costs of reporting the findings of this analysis (and all other analyses) are presented separately in the Interim and Final Report tasks.

Our cost estimates are based on two key assumptions that may change during the evaluation. First, we assume that the evaluators have experience (or have access to someone with experience) using electronic case records from state Management Information System (MIS) data. Second, we assume that the evaluators will be able to use grocery store price scan data obtained from ERS. If these assumptions are not true, the costs of this analysis will be higher. Additional labor hours will be needed for the evaluators to become familiar with state MIS data. Additional funds will be needed for the evaluators to purchase grocery store price scan data, and additional labor hours will be needed to acquire these data from a vendor.

2. Survey Design Option

Our cost estimates for the client survey design option assume that a survey will be conducted at the two commodity alternative sites to collect data on client satisfaction and awareness of the demonstrations. The survey will be by telephone.

The survey design includes developing the survey instrument, computer assisted telephone interview (CATI) program for the telephone version of the survey, sample design, and sample frame. A survey director and survey specialist will have primary responsibility for this task, and key tasks (such as the English and Spanish translations of the survey instrument) will be internally reviewed.

The evaluator will develop two different survey instruments (one for each commodity alternative demonstration). The instruments will be site-specific variants of a “master” survey instrument. The evaluators will ask ERS, FNS, and demonstration staff in Connecticut and North Carolina to review a draft of the survey instruments. After the instruments have been

reviewed, they will be pretested, revised, and translated into Spanish. The project director will review the survey instrument during its development.

The sample design and sample frame will be developed and extracted by a sampling statistician and a survey specialist.

3. OMB Submission

The OMB submission document will include the two survey instruments or the focus group protocols (depending upon whether ERS and FNS decide to use a survey or focus groups to assess client satisfaction). It will be written by the survey director, project director, research analyst, survey specialist, and sampling statistician (if there is a survey). We assume the evaluators will prepare draft and revised versions of the document.

4. Survey Data Collection Option

a. Cost Assumptions

To collect the survey data, the evaluators will develop data collection procedures, prepare an advance letter for survey sample members, develop a cover letter and materials for mail survey respondents, train interviewers, locate and contact sample members, collect the data, maintain the CATI program, and oversee data collection. We assume a 65 percent response rate. (A higher rate is possible if key staff at the commodity alternative sites educate their elderly clients about the survey and encourage eligible clients to participate.) We assume that the respondents will be paid \$15. The survey will take approximately 15 to 20 minutes to complete by telephone.

As part of their oversight duties, the survey director, survey specialist, and survey associate will meet weekly during the data collection period. The project director will monitor the weekly progress of the data collection and attend the interviewer training session so that he/she can

explain the research objectives of the survey and directly respond to research-related questions raised by the interviewers.

To compute the number of completed interviews each quarter for each site, we assume the following sample sizes:

- 200 per quarter in Connecticut (sample)
- 125 per quarter in North Carolina (census)

The quarterly sample sizes are approximate, because the demonstration sites, in general, do not keep records of the number of FSP applicants/recertifications from pure elderly households per quarter. However, demonstration staff were asked to review our estimates, relying on their general knowledge of the number of quarterly FSP applicants.

For the baseline budget, we assume three quarters of data collection at each site, for a total of 634 completed interviews (at a 65 percent response rate). For the Option A budget, we assume three quarters of data collection in North Carolina and four quarters in Connecticut, for a total of 764 completed interviews. For the Option B budget, we assume four quarters of data collection in both sites, for a total of 845 completed interviews.

b. Some Factors That Could Change Our Survey Data Collection Cost Estimate

Our estimated costs of data collection depend on some assumptions that could change as the evaluation progresses. For example, the estimated costs will change if:

- The quarterly sample size estimates presented above are inaccurate
- Two quarters (instead of three quarters) of data collection occur during the baseline period due to a delay in OMB approval
- Significantly more or less than 65 percent of the eligible sample members complete an interview
- The actual respondent payments are revised (for example, OMB could request a different respondent payment schedule)

When using these cost estimates, it is important to keep in mind that costs could change significantly if some of the assumptions change during the evaluation.

5. Survey Data Processing, Weighting, and Analysis

Survey data processing includes producing the survey data files for analysis and reviewing and cleaning the data. The cost estimates assume that these tasks will be led by a sampling statistician and the project director, with assistance from other staff, such as a survey sampling specialist, survey specialist, and programmers. The cost estimates for this line item also include developing and constructing the sampling weights and analyzing the survey data. Univariate and multivariate analyses will be conducted with the survey data.

6. Option to Conduct and Analyze Focus Groups

If ERS and FNS decide to assess client satisfaction with focus groups, the budget assumes an average of two focus groups per site with clients (for a total of 12 focus groups) and eight focus groups with noncompleters (two groups for each of the application assistance and simplified eligibility sites). The evaluators will develop a protocol for each group, recruit focus group participants, travel to the site, convene the focus groups (employing a two-person team), pay participants an honoraria, arrange for and pay meeting expenses (such as renting a meeting room at a location convenient to most participants), produce transcripts for each focus group, and analyze the focus group discussions.

The focus groups will be conducted in the fall or winter of 2003, after OMB clearance has been obtained. We do not recommend conducting any focus groups during the option periods.

7. Quantify Costs of the Demonstrations

To quantify the costs of the demonstrations, the evaluators will compile monthly benefit data from the Quarterly Reports submitted by the demonstrations, prepare cost worksheets for

each site, and use in-person discussions and follow-up telephone calls with key demonstration staff to help demonstration staff complete the worksheets. After the worksheets have been completed, the evaluators will review the completed cost worksheets and follow-up with demonstration staff, as needed, to make any final corrections or additions to the worksheet. When the worksheets have been correctly completed, the evaluators will compute demonstration costs per site, and analyze these costs. The cost estimates in Table III.1 for this task assume that this task will be conducted by the project director and a research analyst.

If the demonstrations are extended, this analysis will include some additional costs to collect, review, and analyze the monthly benefit data from the Quarterly Reports submitted during the extension period.

8. Process Analysis

Data collection for the process analysis will be through quarterly telephone calls, annual site visits, and review of the quarterly reports submitted by the demonstrations. We assume that data will be coded and stored in a qualitative data management and analysis software package. Site visits will be conducted by one of the principal investigators and a research analyst. Twelve two-person site visits are included in the baseline budget. Four additional two-person site visits are included in the Option A budget, and six additional two-person site visits are included in the Option B budget, as explained in Chapter II. We assume that each site visit will take approximately two business days (excluding travel time to the site). We include time for the evaluators to prepare for each site visit, which will include activities such as scheduling the visit and identifying discussion topics for each informant. To compute the site visit travel costs, we use current airfares from the Washington, DC metropolitan area. Significant changes in airfares during the evaluation period (or travel from a different metropolitan area) will have an effect on the costs of the process analysis.

9. Interim Memoranda

The evaluators will prepare two interim memoranda that will present preliminary findings on the effects of the demonstrations on FSP participation and benefits for the elderly. The first memoranda will present findings for the two demonstrations that started in February 2002, and the second memoranda will present findings for the three demonstrations that are expected to start in June 2002. Seven quarters of data will be analyzed for each site.

The memoranda will be prepared by a senior analyst and senior programmer. Since the memoranda may be read by an Undersecretary of USDA, it will be carefully reviewed by the project director and a senior researcher who did not conduct the analysis but who is familiar with the issues and methods.

10. Interim Report

We recommend that the evaluators prepare an Interim Report if the demonstrations are extended. The Interim Report will primarily report findings on the implementation experiences of the sites and the costs of implementing each demonstration. The analyses of FSP participation, FSP benefits, and client satisfaction will not be far enough along to be included in an Interim Report.

The cost estimate for the Interim Report includes estimates of the costs of writing an initial draft of the report, internally reviewing the draft, and responding to one round of comments from ERS, FNS, and key staff from each demonstration. The Interim Report will be written by the project director, senior analyst, and research analyst, with assistance from a research assistant, secretary, and editor.

11. Final Report

The Final Report will contain findings for the entire evaluation. The cost estimate for the Final Report includes estimates of the costs of writing an initial draft of the report, internally reviewing the draft, and responding to one round of comments from ERS, FNS, and key staff from each demonstration. The prices we use to estimate the cost of the Final Report are the prices in effect if the report is completed in September 2004. If the demonstration grant period is extended, then the Final Report will be completed in the fall of 2005. The cost of delivering the Final Report in 2005 will be higher because higher labor prices should be used to compute the costs.

12. Orientation Meeting, Design Memorandum, and Final Briefing

During the evaluation we propose an orientation meeting, a design memorandum, and a final briefing. The orientation meeting should be scheduled within the first month of the evaluation to discuss the evaluation objectives and key changes since the evaluation design report was written. We assume that the study's two principal investigators, the survey director, the sampling statistician (if the survey option is selected by ERS and FNS), and a research analyst will attend the orientation meeting.

After the orientation meeting the evaluators will prepare a brief design memorandum that documents changes in the evaluation design since the design report was written and other key issues pertaining to the evaluation. This memorandum can also document decisions made during the orientation meeting.

The evaluators will conduct a final briefing with ERS after the Draft Final Report has been submitted. The final briefing will present findings from the evaluation. We assume that the briefing will be conducted by four members of the evaluation team.

13. Project management

Every month the evaluators will submit a monthly progress report to ERS that describes project activities conducted during the previous month, discusses activities anticipated for the following month, and discusses problems encountered (if any). The evaluators will also review costs billed to the project each month to check for errors or problems. We assume that the project director and a research analyst will perform these activities. During the survey or focus group data collection period, the survey director will also review the costs billed to the project.

B. TOTAL EVALUATION COSTS

We estimate that the total costs of conducting this evaluation will be approximately \$1,200,000 to \$1,300,000 if the demonstrations operate through September 2003 and a survey at the commodity alternative sites is used to assess client satisfaction (Table III.1). If focus groups at all sites are used to assess client satisfaction during the baseline period, we estimate that the evaluation will cost approximately \$1,000,000 to \$1,100,000 (Table III.2). Under Option A, the additional costs of the evaluation will be approximately \$500,000 to \$550,000 under the survey option, and \$270,000 to 300,000 under the focus group option. Under Option B, the additional costs of the evaluation will be approximately \$550,000 to \$620,000 under the survey option, and \$330,000 to \$360,000 under the focus group option.

The survey data collection cost estimates are based on a set of assumptions, such as sample size, that are likely to change during the evaluation as more information about the demonstrations becomes available. The process analysis task assumes that four site visits will be conducted under Option A, and that six will be conducted under Option B.